

DRAFT

November 4, 1996

To Our Retail Customers

Effective December 31, 1996, all current Carton Outlet Contracts (both Carton and Package plans) will be discontinued. Payment earned for fourth quarter 1996 participation will be made during the first quarter of 1997.

Your R. J. Reynolds Representative will be contacting you regarding the company's new marketing plans later this year.

We appreciate your support in selling R. J. Reynolds Tobacco products.

R. J. REYNOLDS TOBACCO COMPANY

51855 3630